



FEBRUARY 2019

Welcome to the first of our regular newsletters from Water Resources South East (WRSE)

Its publication is reflective of a new chapter in the group's ambitions and future direction of travel to make the South East more resilient when it comes to all things water.

It's an exciting time for WRSE which, 23 years after it was formed, is looking to lead the water sector's approach to resilience, and the debate on how best to address thorny issues such as reducing leakage and per capita consumption, while keeping our water systems – not just public water supplies – sustainable and affordable.

At the forefront of our work are Meyrick Gough and Trevor Bishop who will be well known to many of you, having each worked in the industry for 30+ years, including on all things WRSE.



Trevor Bishop

Meyrick Gough

You can read more about their roles and remit, and lots more, in this newsletter but in the meantime if you would like to find out more about our work and get involved please do drop us a line at contact@wrse.org.uk

Simon Cocks
Independent Chair, WRSE



Two new – but familiar – faces join the WRSE team

WRSE has appointed two new senior directors to lead its work to deliver more resilient water supplies for the future.

Meyrick Gough has been seconded from Southern Water to take up the role of Technical Director and will lead the group's work on developing a regional resilience plan and drought plan for the South East of England. These will directly inform company Water Resource Management Plans and Business Plans in 2024.

“This is a new chapter in regional resilience planning that builds on the pioneering technical work undertaken by WRSE.”

MEYRICK GOUGH

He has been joined by Trevor Bishop, who has worked in both water company and regulatory roles, as Organisational Development Director. Trevor will provide strategic direction for the group and engage with government, regulators and wider stakeholders about the excellent technical work and new approaches that underpin WRSE's strategic decision-making and ambitions.

Their appointments come at a time when the need for more resilient water systems become part of a much broader UK-wide debate.

Meyrick said: *“With the National Infrastructure Commission highlighting the need for more water interconnectivity*

between different parts of the country, we are pleased to see other regional groups being formed. Collectively, we are all inputting to a new national framework for water resource planning that will provide greater clarity and guidance for water companies and other abstractors about what is expected, of all parties, by government and regulators.”

Trevor said: *“Producing a regional resilience plan also chimes with the Government's current consultation on its proposals to direct water companies to work on a regional and inter-regional basis for water management issues, including with other abstractors and sectors, so that greater multi-sector collaboration and innovation is achieved.”*

“We are in listening and learning mode, not least as WRSE engages with its peers, regulators and wider stakeholders about how it can evolve the technical excellence it's founded upon as we move towards a regional resilience plan; and, at the same time, raise its profile so we engage, co-ordinate and integrate the needs and expertise of interested parties on the potential solutions that benefit customers and the environment.”

“WRSE will be at the forefront of a more collaborative response to greater water resilience - meeting the ambitions of government and regulators around how future investment decisions are articulated and made.”

TREVOR BISHOP

What we've been up to:

TREVOR:

"Reviewing our governance structure so we shift from producing a regional strategy to a regional resilience plan."

"Starting conversations with other regional groups so we can co-ordinate our work within the new national framework (see pages 6 and 7) and get more water users and stakeholders involved too."

"Listening and learning about what others think of WRSE - members, regulators, government wider stakeholders and customers."

"Reviewing our communication and engagement workstreams and activities with water companies."

MEYRICK:

"Developing the technical approaches and timetable to produce a South East regional resilience plan by 2024."

"Working with other regional groups to develop integrated strategies and modelling approaches."

"Met with the Environment Agency to discuss the next round of Water Resources Management Plans and the guidance. This is very early days but some fundamental questions are already being discussed."

"Reviewing the outputs and actions from our Leakage Sprint event." (see page 8)

"Contributing to Water UK's work on Brexit."

STOP PRESS: WRSE supporting companies after 2020-2025 business plan assessments

The need for strategic infrastructure, and the collaboration and co-operation that is required to deliver it, has emerged as a key feature of Ofwat's view of water companies' 2020 to 2025 business plans.

The regulator's initial assessment of business plans (IAP) has set out its expectations of what the sector needs – within and between regions – to achieve greater resilience. To facilitate that, it has set out a new process to ensure strategic water infrastructure is progressed by 2025. This includes asking companies to jointly propose methods for collaborative working (including the setting up of working groups for individual strategic water resource schemes) and show how consistent assumptions and decisions can be made that benefit customers and the environment.

WRSE's Directors are now working with WRSE member companies to provide the support needed as they start working towards the next step in Ofwat's gated process, not least to map how these would be achieved as the next regional resilience plan and Water Resources Management Plans are produced; and support the co-ordination needed across other regions too.



New structure and focus for WRSE

The future direction of work for WRSE means there are some proposed changes to how it is structured and governed.

Key changes that are being proposed to allow it to achieve a strategic, multi-sector approach are:

- a new senior level **WRSE Advisory Group** which would provide essential access for key stakeholders to influence the processes, decision-making and delivery of solutions

- a new **Engagement and Communications Board** to drive and co-ordinate the group's profile raising and influencing activities as the regional resilience plan develops.

The new approach is expected to help WRSE achieve its strategic objectives, which include ensuring there is greater multi-sector input into a regional resilience plan, stronger links with other regional groups and the national framework, and greater use of markets and competition. WRSE will be engaging stakeholders to get their views on the new governance arrangements.

Strategic Leadership Team

Chair: Simon Cocks

Role: Executive decision making

Membership: Water companies plus representation by Government/Regulators and 2-3 independents

Frequency: Quarterly

WRSE Advisory Group

Chair: Simon Cocks

Role: Non-executive group to provide insight and guidance on multi sector, collaborative and technical delivery

Membership: SLT members plus representation from all key stakeholder groups

Frequency: Every six months

Executive Team

Role: Executive responsibility for delivery. Oversight and direction for strategy, policy engagement, consultations and technical reports.

Membership: Chair, Technical and Organisational Directors, Programme Manager

Programme Management Board

Chair: Meyrick Gough

Role: Decision-making board for technical delivery and co-ordination of regional resilience plan

Membership: Water companies plus regulators and others to be agreed

Frequency: Monthly

Engagement & Communications Board

Chair: Trevor Bishop

Role: Decision-making board for delivery and co-ordination of WRSE engagement and communications

Membership: Water companies and others to be agreed

Frequency: Monthly

Working groups (various as required)

Role: Support Programme Management Board and Engagement & Communications Board - generally task and finish groups

Focus on...

...Portsmouth Water

Bob Taylor takes the helm as Chief Executive of Portsmouth Water at a critical time for WRSE amid the government's rallying cry for investment in infrastructure and water transfers.



Bob Taylor

And although the smallest member of WRSE in terms of company size, Portsmouth's ambitions to lead the sector's response means it is set to be the first to deliver on the national expectations through the construction of

Havant Thicket reservoir and the associated cross-boundary transfer to Southern Water.

The reservoir, the first to be built in the South East since the 1970s, is a collaboration between Portsmouth Water and Southern Water and was identified as a 'prevalent' strategic option in the latest round of WRSE modelling. It is one of eight 'big ticket' schemes selected to deliver more than 15 million litres per day.

As such, it features in both companies' draft Water Resources Management Plans and business plans and was uniquely presented to Ofwat in a jointly-written business plan appendix.

This year will be critical in terms of progressing the plans off the page to a tangible and deliverable scheme. Commercial terms are being negotiated between the two companies and outline design progressed for the submission of a first phase planning application in December 2019.

Supporting this will be extensive community and stakeholder engagement, although the reservoir already has strong support locally, with 87% in favour of the reservoir and 80% supporting the transfer (WRMP consultation feedback).



That support is founded in the fact that the company has owned the 160-hectare site since 1965 and the reservoir and pipeline route are already included in the local plans of the two local planning authorities. On the basis of a technical and value for money assessment, Portsmouth Water has now put forward a conventional Design and Build model for its delivery, rather than direct procurement, with investment by the company's new owners Ancala enabling it to deliver the greater resilience the South East desperately needs.

Bob said: *"Our aim is to make the most of Portsmouth's unique position in the South East – having surplus water to trade – and we're committed to this collaborative, regional approach as it brings greater resilience to the region. It's good for customers, the environment and the economy because*

it allows companies to develop resilience options that have the best long-term value with lowest environmental impact."

The reservoir, which will be filled with surplus water in winter from natural underground springs, will provide an average deployable output of 23 million litres per day and create sufficient headroom in the network to enable a bulk transfer of around 21 million litres per day to Southern Water customers in Hampshire. This will form the final part of an overall commitment to supply 60 million litres per day to its neighbour by 2029, from a range of sources, to help meet a deficit created by Southern Water's imminent reduction of its abstraction licences on two chalk rivers – the Test and Itchen.

Overall, by 2029, Portsmouth Water will be trading more than a quarter of its deployable

output with Southern Water; while for Southern Water it will mean a 5.6% increase in water trading.

However, while Portsmouth Water is in the enviable position of having surplus water to trade, it also recognises the greater focus it needs to have on improving leakage, reducing per capita consumption (PCC) and driving greater metering take-up. The company is already beginning its collaboration with WRSE members who are further advanced in these areas and have experience to share, so it achieves the same ambitions around demand management options.

Like most WRSE members, it's targeting a 15% reduction in leakage by 2025, a 30% reduction by 2040 and a 50% reduction by 2050. And with one of the highest rates of PCC at 142 litres per person per day, it's also

targeting a reduction to at least 135 litres by 2025, with a longer-term target of 100 litres by 2050.

The company would like to see this reduction led by more metering, but as it operates in a medium water stressed area, legislation currently prevents it from compulsorily metering customers, so it is awaiting the Government's proposal on extending these powers with interest. As things stand, 74% of customers support the need for the majority of households to be metered and so the company plans to install 5,000 additional meters to support customer behavioural change by 2025.

Bob concluded: *"The most important thing for us is taking our customers on this journey. We're a community-centred company with a high-level of trust and the lowest bills in*

the industry but at the end of the day it's our customers who hold the key to better managing water resources.

"In the long-term our comprehensive plans will unlock greater resilience for the region by creating more headroom through efficiencies and further opportunities to trade surplus water."

Portsmouth Water customer research:

Do you trust us to continue to supply your drinking water for the next 25 years?

Yes: 97%



Artist's impression of new Havant Thicket Reservoir

Update on National Framework for water resource planning

Plans for a water resources national framework that will provide greater clarity and guidance for regional water resources groups are gathering pace.

The National Water Resources Framework Senior Steering Group is working towards a December 2019 publication which will set out the level of ambition that government and regulators expect to see around supply and demand for all sectors.

Crucially, it will provide the evidence-based strategy for water resource planning that allows the growing network of regional groups (see panel) to:

- Develop strategic plans that set out each region’s contribution to the national need
- Deliver the ‘nationwide’ resilience – and greater ambitions on metering, leakage, and options to lower demand and new transfers flagged as necessary by the National Infrastructure Commission (NIC)
- Enable greater collaboration through more consistent planning approaches and by identifying and removing existing barriers.

The final piece of the national-regional-local water resource planning jigsaw is companies’ Water Resources Management Plans. These will remain the statutory part of the process and will continue to act as the delivery vehicle for supply and demand options.

All regional groups attended the December 2018 Senior Steering Group meeting to present their approach and provide an update on how their regional plans are developing.

WRSE Technical Director Meyrick Gough said: *“WRSE is an experienced regional group and so we welcomed the opportunity to share our experience with others to highlight potential pit falls and dead ends, and learn about their experiences too.*

“We already sit on a number of other regional groups as it makes sense to share any technical work and outputs from our sprint workshops on topics such as extreme droughts, water efficiency and leakage.

“We have identified the technical enhancements we need to make to increase the resilience of water resources in the South East. That said, the National Framework is a critical piece of the jigsaw to enable a

consistent approach to how we all plan for future water supplies.”

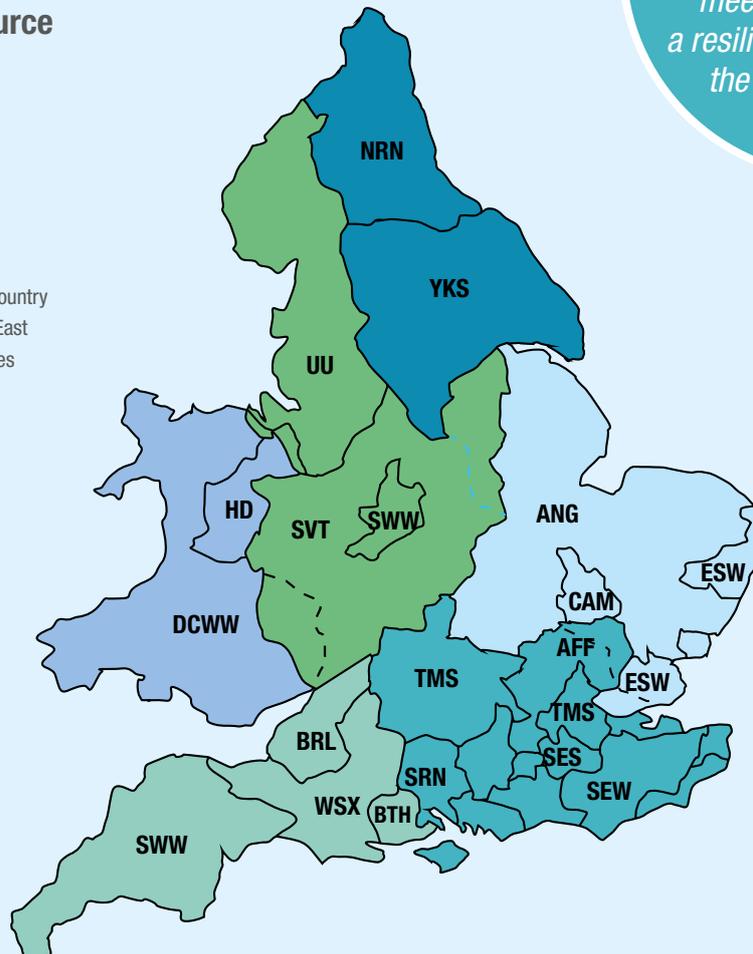
Paul Hickey, Deputy Director of Water Resources at the Environment Agency, said: *“The regional groups will develop the plans that set out how the water industry, in collaboration with other sectors, will deliver secure water supplies while enhancing the environment. Water Resources South East plays an important role in this endeavour. This is not only because the South East of England faces some of the biggest challenges (and opportunities), but also because of the experience and skills the group is able to bring to the table.”*

From December 2022 the framework will be used by the Environment Agency as part of its review of the next round of draft Water Resources Management Plans.

“This is a critical time for water resources and it’s vital that we take a collaborative approach to meet the challenge of a resilient water supply for the whole country.”

The regional water resource groups that now exist

- Water Resources North
- Water Resources West
- Water Resources East
- Water Resources West Country
- Water Resources South East
- Water Companies in Wales



What's making the news?



Environmental scorecards

New [scorecards](#) that analyse how successful water companies' 2020 to 2025 business plans are likely to be in protecting and improving the environment have been published by Blueprint for Water.

Three of the region's water companies – Southern Water, South East Water and SES – were singled out for achieving high scores; while Southern Water, South East Water, Thames Water and Portsmouth Water were also awarded an extra special “Blueprint Blue Star” for specific environmental initiatives in their plans.

Blueprint for Water has also identified those areas where there is room for improvement and which water companies need to address.

Climate change predictions

The UK's most comprehensive picture yet of how the climate could change over the next century was recently launched by Environment Secretary Michael Gove. Using the latest science from the Met Office and around the world, the [UK Climate Projections 2018](#) illustrate a range of future climate scenarios until 2100 – showing increasing summer temperatures, more extreme weather and rising sea levels are all on the horizon and urgent international action is needed.

PCC target

Defra has issued a call for evidence on setting an ambitious, but non-binding, target for per capita consumption in its recently published [Water conservation report](#) and will explore the policy options that

could be used to achieve it. This could include efficiency labelling for water-consuming gadgets; improving building standards; metering; supply pipe management incentives and ownership; behavioural change; and boosting water efficiency ambition in the non-household retail market.

Government consults on regional groups' future role

Government has signalled its intention to require water companies to plan future water resources through a more formal regional and inter-regional basis.

Its recently published “Improving our management of water in the environment” sets out how it intends to update the regulatory system to manage water more flexibly in response to climate change and other pressures. The [consultation](#), which is being run by Defra and closes on the 12th March 2019, is seeking views on a number of policy measures, not least to ensure any regulatory changes underpin many of the ambitions and aspirations set out in the Government's 25-year Environment Bill.

Feargal Sharkey on a mission to save chalk streams

Feargal Sharkey, the former Undertones lead singer and keen fly fisherman is [calling on the water sector](#) – companies and regulators – to overhaul how water is regulated to protect rare chalk streams.

Co-ordinating regional groups' engagement

Water Resources South East (WRSE) and Water Resources East (WRE) have kick-started the collaboration that will be needed between regional groups, not least when it comes to engaging with national stakeholders.

WRSE's Trevor Bishop recently met with Robin Price, the new independent Managing Director of WRE, and agreed:

- The need to formalise the regional groups' work via a new sub-group of the National Framework Steering Group, so that it can focus on the co-ordination of policy developments, regulator engagement and activities
- the need to co-ordinate engagement with national stakeholders, where possible, on shared issues and challenges – and look to develop a one-stop engagement forum for them to engage collectively with the five regional groups.



“Our respective regional groups are well established and geographic neighbours too. We want to build on the strong, mutually supportive, working relationship that already exists between us and extend that to all the regional groups that are now operating – not least as it makes no sense for national-level stakeholders to be briefed separately by each of us.”

TREVOR BISHOP

Sprinting towards greater leakage and water efficiency innovation

The challenge of reducing leakage and customer demand for water are the subject of two events organised by WRSE.

First to get underway was when leakage specialists gathered to share best practice and hear about leading-edge technologies to kick-start WRSE's work on driving down leakage.

The leakage sprint event was designed to articulate the shared leakage challenges that all the region's water companies face in three key areas:

- Solving customer side leaks
- checking the integrity of District Metered Areas (a discrete area of a water company's distribution network where water flows are closely monitored to pinpoint leaks)
- repairing leaks with new techniques.

The discussions were wide ranging with inputs from leakage strategy experts.

Among the key recommendations that WRSE will now be following up are:

- Solving customer side leaks – use WRSE to collectively engage with bodies such as insurers and housing associations on who is responsible for fixing leaks on different parts of the network
- Checking DMA integrity – WRSE water companies will prepare a joint best practice assessment guide, which also uses insight from other countries with low leakage levels
- Repairing leaks – WRSE water companies will lead the work to create new industry guidance to reduce timescales for finding and fixing leaks.

Trevor Bishop, Organisational Development Director for WRSE, said: *"This was the first of our sprint events and it generated lots of good ideas on how greater collaboration and innovation could drive the step change in leakage performance that is expected by government, regulators and stakeholders."*

The next WRSE sprint event will focus on water efficiency, in particular how to reduce per capita consumption (PCC) in the south east region and sustain it at those lower levels.

Want more information on the sprint events? Get in touch with WRSE at contact@wrse.org.uk



Using drone technology to tackle leaks

What's coming up:

- March:** 14th National Framework Steering Group
21st Presentation to WWT Smart Networks conference
22nd WRSE Senior Leadership Team meeting
- April:** Inaugural meeting of new WRSE Advisory Group
- May:** Publish our strategy towards producing a regional resilience plan

Want to know more or get involved? Email contact@wrse.org.uk

New look for WRSE to come

This may be the first of our regular newsletters but it will be the last time you see the current WSRE logo.

That's because we are developing a new logo that mirrors our future ambitions, but also has the potential to be adapted by the growing number of regional groups across England to reflect the collaborative nature of our work.

As well as a new logo, we are also looking to update the WRSE website (wrse.org.uk) so watch this space.

Contact info

Email: contact@wrse.org.uk

